TITLE 170 INDIANA UTILITY REGULATORY COMMISSION

Economic Impact Statement

LSA Document #18-127

<u>IC 4-22-2.1-5</u> Statement Concerning Rules Affecting Small Businesses

I. Estimate of Number of Small Businesses That Will Be Subject to this Rule.

As required by <u>IC 4-22-2.1-5(a)(1)</u>, the estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule:

One small business is currently subject to the existing rule – Wabash Valley Power Association. The remaining electric utilities that submit integrated resource plans or energy efficiency plans are not small businesses as defined by IC 5-28-2-6.

As required by <u>IC 4-22-2.1-5(a)(2)</u>, the estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule:

None. The small business is already complying and, regardless of this rulemaking, is statutorily obligated to file an integrated resource plan. Note the proposed rule amendments will reduce the burden on the small business by only requiring an integrated resource plan every three years instead of every two years as previously required. Therefore, as required by IC 4-22-2.1-5(a)(3) and IC 4-22-2-28(i)(3), the estimate of the total annual economic impact that complying with the proposed rule will have on all small businesses subject to the rule is zero, as the costs of compliance will be reduced.

II. Justification Statement.

As required by <u>IC 4-22-2.1-5(a)(4)</u> and <u>IC 4-22-2-28(i)(2)</u>, the following statement justifies any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law:

There are no new costs imposed on small businesses by this rule. In fact, regulation is reduced because the rule changes the frequency of submitting integrated resource plans from every two years to every three years. As a result, it was not necessary for the Indiana Utility Regulatory Commission ("IURC" or "Commission") to rely upon data, studies, or analyses to determine whether there is an imposition of the requirement to file integrated resource plans or the cost of its necessity. As noted above, the small business impacted by this rule is already required to follow the requirements under IC 8-1-8.5 regarding integrated resource plans.

III. Regulatory Flexibility Analysis.

As required by <u>IC 4-22-2.1-5(a)(5)</u> and <u>IC 4-22-2-28(i)(4)</u>, this regulatory flexibility analysis considers whether there are alternative methods of achieving the purpose of the rule that are less costly or intrusive or would otherwise minimize the economic impact of the rule on small businesses. The analysis under this subdivision considers the following methods of minimizing the economic impact of the proposed rule on small businesses.

There are no alternatives to the rulemaking because the requirement for the affected small businesses to file integrated resource plans is already contained in Indiana law. In addition, this rule reduces regulation by changing the frequency for submitting integrated resource plans from every two years to every three years.

- (A) The establishment of less stringent compliance or reporting requirements for small businesses. Less stringent compliance or reporting would not comport with the applicable Indiana law and, absent the planning required by the law, Indiana electric generation resources would likely be less efficiently planned to meet Indiana's electricity needs. All regulated electric utilities, regardless of size, follow the same requirements to plan their generation resources. In addition, because it is exempted from the public advisory process in this rule, specifically 170 IAC 4-7-2.6, accommodation has already been made for Wabash Valley Power Association and the type and size of utility that it is.
- (B) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.
 - All regulated entities should follow the same planning standards and timelines regardless of the business's size. This rule does establish less stringent schedules for the submission of integrated resource plans from every two years to every three years. In addition, Wabash Valley Power Association is exempt from the public advisory process in this rule, <u>170 IAC 4-7-2.6</u>.
- (C) The consolidation or simplification of compliance or reporting requirements for small businesses. The proposed amendments are intended to simplify the process for submitting integrated resource plans and reduce the frequency from every two years to every three years.
- (D) The establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

Performance standards would not be sufficient. Regulated entities are required to engage in their planning process to determine the best allocation of generation resources. This requirement is established by

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statute, specifically <u>IC 8-1-8.5-3(e)(2)</u>.

(E) The exemption of small businesses from part or all of the requirements or costs imposed by the rule. There are no requirements or costs associated with this rule that are not already required by state law. Wabash Valley Power Association is exempt from the public advisory process in this rule, <u>170 IAC 4-7-2.6</u>.

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